

STATE OF MICHIGAN
IN THE CIRCUIT COURT FOR THE COUNTY OF INGHAM

In the Matter of CADILLAC INSURANCE COMPANY,
IN LIQUIDATION

BILL SCHUETTE, Attorney General
of the State of Michigan, ex rel
ANN E. FLOOD, Director of the
Department of Insurance and Financial Services
of the State of Michigan,

File No.: 89-64126-CR

Hon. William E. Collette

Petitioners,

vs.

CADILLAC INSURANCE COMPANY,
a Michigan Corporation,

Respondent.

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ORDER GRANTING LIQUIDATOR'S VERIFIED PETITION
FOR APPROVAL OF LIQUIDATOR'S DECISION PERTAINING TO
TREATMENT OF REMAINING ASSETS

At a session of said Court held in the City of Mason, County of
Ingham, State of Michigan on: 2/12/14

PRESENT: HON. WILLIAM E. COLLETTE, CIRCUIT COURT JUDGE

RECITALS

The Liquidator of Cadillac Insurance Company (“Cadillac”) having filed a Petition for Approval of Plan of Interim Distribution of Estate Assets (the “Interim Distribution Petition”) on or about July 5, 2011, a Petition for Order Approving Plan for Final Distribution of Estate Assets and Other Relief (the “Distribution Plan Petition”) on or about April 23, 2013, and a Verified Petition for Finding of Compliance with Prior Court Orders, Order Approving Further Plans for Closure of the Estate and Related Relief (the “Closure Plan Petition”) on or about October 23, 2013;

The Liquidator having reserved an amount (approximately \$704,000) to pay for administrative and case closure costs to be incurred after the distribution of the bulk of receivership assets;

This Court having granted the Interim Distribution Petition on August 3, 2011, the Distribution Plan Petition on June 5, 2013, and the Closure Plan Petition on December 18, 2013;

The Liquidator having distributed assets in excess of \$40,275,000 in accordance with the referenced Orders, and prior Orders, such that, 100% of guaranty fund administrative expenses were paid or prepaid and 96.1% of Class 1 claims were paid, after which approximately \$1.5 million in Class 1 claims remains unpaid;

The Court having previously ratified the Liquidator’s determination that all Class 2 claims in the estate are disallowed due to lack of funds sufficient to pay such claims.

The Liquidator having advised the Court that she has, since the entry of the Distribution Order on December 18, 2013, continued the wind up activities of the Cadillac receivership;

The Liquidator having filed her Verified Petition for Approval of Liquidator’s Decision Pertaining to Treatment of Remaining Assets on or about February 4, 2014;

The Liquidator having advised the Court that a supplemental distribution of assets to Class 1 claimants is uneconomic and is neither feasible nor prudent;

The Liquidator having proposed to wind up the Cadillac receivership without further distribution of assets to creditors and to escheat any remaining funds to the State of Michigan;

The Court having reviewed the Verified Petition for Approval of Liquidator's Decision Pertaining to Treatment of Assets;

The Court having heard argument on the Petition; and

The Court being otherwise fully advised:

ORDER

IT IS HEREBY ORDERED that:

a. The Liquidator's Verified Petition for Approval of Liquidator's Decision Pertaining to Treatment of Remaining Assets is **GRANTED**.

b. The Court **APPROVES** the Liquidator's decision to complete the wind up of the affairs of the Cadillac receivership.

c. The Court **APPROVES** the Liquidator's decision not to make any further or supplemental distribution of receivership assets to creditors.

d. The Court **FINDS** that any further distribution of assets is not feasible or prudent and **FINDS** that further distribution of assets is uneconomic. MCL 500.7818(2); MCL 500.8146(1).

e. The Court **APPROVES** the Liquidator's decision to escheat, at the termination of the receivership and the discharge of the receiver, all remaining assets, if any and of whatever amount, to the State of Michigan for deposit in the general fund.

f. After winding up the affairs of Cadillac, the Liquidator shall pay final administrative expenses and shall file and notice for hearing a motion to terminate the receivership and discharge the receiver and shall file a final accounting, consistent with prior Orders of this Court.

FINAL ORDER

IT IS FURTHER ORDERED, pursuant to court rule, that this Court expressly determines that there is no just reason for delay, and that this Order is a FINAL ORDER. *See* MCR 2.604(B); MCR 7.203(A); MCR 7.204(A).

WILLIAM E. COLLETTE
Honorable William E. Collette
Ingham Circuit Court Judge